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**PRESS  
RELEASE**

## Fitch confirms rating AA- and “stable” outlook for Generali

Trieste – Fitch affirms the rating AA- and the “stable” outlook for Assicurazioni Generali and its core subsidiaries.

**The complete version of the original Fitch’s press release is enclosed.**

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### FITCH AFFIRMS GENERALI AT IFS 'AA-'; OUTLOOK STABLE

Fitch Ratings-London-13 July 2011: Fitch Ratings has affirmed Assicurazioni Generali SpA's (Generali) and its core subsidiaries' Insurer Financial Strength (IFS) ratings at 'AA-' and Long-term Issuer Default Ratings (IDR) at 'A+'. The Outlooks are Stable. Fitch has also affirmed Generali's hybrid subordinated notes at 'A-' and senior notes at 'A+'. A full list of rating actions is shown below.

The affirmations reflect Generali's strong operating performance in 2010 as well as Fitch's expectations that the company will continue to deliver strong underwriting margins in its main markets Italy, France and Germany, and extract value from its presence in Central and Eastern Europe (CEE) region. The ratings are underpinned by the group's multi-channel/multi-brand approach and geographical diversification, its underwriting discipline, prudent reserve practices and capitalisation which, however, Fitch views as just adequate for IFS ratings in the 'AA' range.

Offsetting these positives are the company's significant investment leverage; relatively high gross debt leverage and weak interest coverage; and a challenging operating and investment environment in Italy, as reflected by prospects for sluggish economic growth and capital markets volatility.

While Fitch acknowledges that capital adequacy has improved from 2008 levels, the agency believes it remains just adequate for the current ratings level. The significant amount of goodwill and intangibles negatively affects the quality of capital. However, Fitch notes positively that Generali's capitalisation was more resilient than its peers through the financial crisis and financial flexibility remains strong.

Fitch views Generali's financial leverage as relatively high but acceptable for the current rating level. In addition, interest coverage on debt servicing capabilities, as calculated by Fitch, despite displaying a positive trend, remains below historical levels and is considered weak but acceptable for the rating level. Generali's investment leverage is significant, resulting in exposure to investment market fluctuations, particularly given the group's current capitalisation.

Fitch views Generali's earnings profile as strong and helped by geographical diversification, and believes the group is becoming increasingly efficient. Generali has demonstrated resilience to volatile and adverse trading conditions in its main markets in the property and casualty (P&C) business. In Italy in particular, Generali, as market leader, can leverage its strong pricing power and has done so in recent years through increased motor tariffs.

Life results in 2010 were negatively affected by the extraordinary widening of government bond spreads in many European countries where Generali operates, as well as lower swap interest rates and higher interest rate volatilities. This trend is continuing over 2011.

Generali is exposed to euro zone sovereign credit risk. Fitch believes that the company would be able to withstand deterioration in the credit quality of certain sovereigns or sharp changes in market values for the securities of these sovereigns. However, should the financial dislocation spread from Greece, Portugal and Ireland to other European markets and the risks of contagion amplify, leading to severe and broad impact across the European markets, with significant credit spread widening and sharp falls in market values, then there could be a risk of negative rating actions for Generali.

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Other rating drivers that could result in a downgrade include failure to maintain its risk-based capitalisation, as calculated by Fitch, at the current level or a deterioration in the level of the consolidated Solvency 1 regulatory capital position (including unrealised gains on real estate) below 130% for a prolonged period of time; deterioration in non-life results as evidenced by an increase in the reported combined ratio to over 100% for a number of quarters; or a structural increase in financial leverage from current levels (33% on a gross basis).

Rating drivers that could trigger an upgrade are group capitalisation at higher levels, steady or reducing debt leverage and stronger interest coverage. However, given Generali's high ratings and the uncertainty over the future macroeconomic implications of the euro zone sovereign credit risk, Fitch does not anticipate an upgrade in the near to intermediate term.

Generali is the parent company and main operating entity of one of Europe's largest insurance groups. Total group-wide life sales in 2010 were EUR51.1bn. It holds a dominant position in Italy through its ownership of INA Assitalia and Alleanza Toro. Generali is also well established in Germany (through Generali Deutschland), France (Generali Iard and Generali Vie), Spain (Generali Espana), Switzerland (BSI and Generali Switzerland) and central and eastern Europe through its joint venture, Generali PPF Holding.

The ratings actions are as follows:

Assicurazioni Generali SpA:  
Affirmed at IDR 'A+'; IFS 'AA-'; Outlook Stable

Generali (Schweiz) Holding AG:  
Affirmed at IDR 'A-'; Outlook Stable

Generali Iard:  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Vie:  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Deutschland:  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Deutschland Pensionskasse AG:  
Affirmed at IFS 'AA-'; Outlook Stable

Cosmos Versicherung AG:  
Affirmed at IFS 'AA-' Outlook Stable

Cosmos Lebensversicherungs-AG:  
Affirmed at IFS 'AA-'; Outlook Stable

AachenMuenchener Lebensversicherung AG:  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Lebensversicherung AG:  
Affirmed at IFS 'AA-'; Outlook Stable

AachenMuenchener Versicherung AG:  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Versicherung AG:  
Affirmed at IFS 'AA-' Outlook Stable

Central Krankenversicherung AG:  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Espana, SA  
Affirmed at IFS 'AA-'; Outlook Stable

Generali Versicherung AG (Austria)  
Affirmed at IFS 'AA-'; Outlook Stable

Generali's debt ratings are as follows:

Senior unsecured:

EUR1,500m 4.75% guaranteed notes due 12 May 2014: affirmed at 'A+'

EUR500m 3.875% notes due 6 May 2015: affirmed at 'A+'

EUR750m 4.875% notes due 11 November 2014: affirmed at 'A+'

EUR1,750m 5.125% notes due 16 September 2024: affirmed at 'A+'

Hybrid capital instruments/notes:

EUR1,250m perpetual notes 5.479% until February 2017, thereafter Euribor plus 214bp: affirmed at 'A-'

GBP495m perpetual notes 6.416% until February 2022, thereafter Libor plus 220bp: affirmed at 'A-'

EUR1,275m perpetual notes 5.317% until June 2016, thereafter Euribor plus 210bp: affirmed at 'A-'

GBP700m perpetual notes 6.214% until June 2016, thereafter Euribor plus 208bp: affirmed at 'A-'

GBP350m perpetual notes 6.269% until June 2026, thereafter Euribor plus 235bp: affirmed at 'A-'

Subordinated notes:

EUR750m fixed-/floating-rate subordinated callable notes due on 20 Jul 2022: affirmed at 'A-'

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable criteria "Insurance Rating Methodology", dated 31 March 2011, "Non-Life Insurance Rating Methodology", dated 31 March 2011, and "Life Insurance Rating Methodology" dated 31 March 2011, are available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable Criteria and Related Research:

Insurance Rating Methodology

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=614266](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=614266)

Non-Life Insurance Rating Methodology

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=604366](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=604366)

Life Insurance Rating Methodology

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=612905](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=612905)

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**The Generali Group is one of Europe's largest insurance providers and the biggest European Life insurer, with 2010 total premium income of more than € 73 billion. It is also one of the world's top asset managers with assets of over € 400 billion, and a unique real estate operator with a property portfolio of more than € 24 billion.**

**With 85,000 employees worldwide and 70 million clients in more than 60 countries, the Group occupies a leadership position on Western European markets and an increasingly important place in Eastern Europe and Asia.**

**The parent company Assicurazioni Generali is listed on the Milan Stock Exchange (GASI.MI, G.IM) and has an AA- Standard & Poor's rating, an Aa3 Moody's rating, an AA- Fitch's rating and an A+ A.M. Best's rating.**